
**ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2017**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ascension Parish Sales and Use Tax Authority
Gonzales, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ascension Parish Sales and Use Tax Authority (Authority), Gonzales, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Authority, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 3 to 6 and 21, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

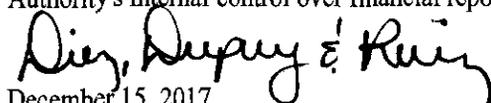
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to the Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures described above, the Schedule of Compensation, Benefits and Other Payments to the Agency Head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.


December 15, 2017
Gonzales, Louisiana

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

The Management's Discussion and Analysis of the Ascension Parish Sales and Use Tax Authority's financial performance presents a narrative overview and analysis of Ascension Parish Sales and Use Tax Authority's financial activities for the year ended June 30, 2017. This document focuses on the current year's activities resulting changes, and currently known facts. Please read this document in conjunction with the Ascension Parish Sales and Use Tax Authority's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a long-term view of the Authority's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

- The Authority's net position increased \$24,274.
- The General fund reported no change in fund balance.
- Total revenues in the general fund decreased \$2,303 and total expenditures in the general fund decreased \$2,303. This is primarily due to a decrease in capital outlay resulting in decreased revenue. Changes in personnel and operating expenses were incurred as a result of the fluctuation of activity of the Authority.
- The Authority's collections decreased over the previous fiscal year by approximately \$3.6 million or 2%.
- Sales tax collections decreased compared to prior year because of changes in economic conditions the Parish experienced in the retail and Petro chemical industries. A major expansion and construction project in the Petro chemical industry concluded during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Ascension Parish Sales and Use Tax Authority as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments

Management Discussion and Analysis
Basic Financial Statements
Required Supplementary Information (Other than MD&A)
Other Supplemental Information

These financial statements consist of four sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), required supplementary information, and other supplemental information.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 7 and 8) provide information about the activities of the Ascension Parish Sales and Use Tax Authority as a whole and present a long-term view of the Authority's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the Authority's net position and changes in them. One can think of the Authority's net position, the difference between assets and liabilities, as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position is an indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 9. The Authority's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Authority's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's activities as well as what remains for future spending.

The Fiduciary Fund financial statement is presented on page 13. Fiduciary funds report assets held for others and a corresponding liability due to those parties. The taxes collected by the Authority flow through this fund.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position		
	2017	2016
Capital assets, net	\$ 127,167	\$ 121,187
Due from other governments	5,523	3,661
Total Assets	\$ 132,690	\$ 124,848
Accounts payable	\$ 5,523	\$ 3,661
Compensated absences payable	41,731	60,025
Total Liabilities	47,254	63,686
Net position		
Net Investment in capital assets	127,167	121,187
Unrestricted (deficit)	(41,731)	(60,025)
Total Net Position	85,436	61,162
Total Liabilities and Net Position	\$ 132,690	\$ 124,848

Net position of the Ascension Parish Sales and Use Tax Authority increased by \$24,274 or 40% from the previous fiscal year. The increase is the result of purchase of capital assets and decrease in compensated absences payable during the fiscal year ended 2017. The Authority purchased new software, licenses, and equipment for approximately \$43,796 and compensated absences payable decreased approximately \$18,000.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Statement of Activities

	2017	2016
General revenues		
Intergovernmental	\$ 1,337,877	\$ 1,340,180
Total revenue	1,337,877	1,340,180
Expenses	1,313,603	1,297,001
Change in net position	\$ 24,274	\$ 43,179

The Ascension Parish Sales and Use Tax Authority's total revenues decreased by \$2,303 or 0.17% from the previous year. The total cost of all programs and services increased by \$16,602 or 1% from the previous year.

Long-Term Debt

The Ascension Parish Sales and Use Tax Authority's only long-term debt consists of its compensated absence liabilities. The Authority had \$41,731 in compensated absences payable at year end compared to \$60,025 at the previous year end, a decrease of \$18,294 or 30%.

Capital Assets

At the end of 2017, the Authority had invested \$127,167 in equipment, furniture, and fixtures. (See Table below)

	Governmental Activities
Equipment, furniture, and fixtures	\$ 318,035
Less: Accumulated depreciation	(190,868)
Total	\$ 127,167

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

There were no amendments to the Authority's budget during the year.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Ascension Parish Sales and Use Tax Authority's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

1. Intergovernmental revenues (based on personnel and operating expenses)

The Ascension Parish Sales and Use Tax Authority does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE ASCENSION PARISH SALES AND USE TAX AUTHORITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Ascension Parish Sales and Use Tax Authority's finances and to show the Ascension Parish Sales and Use Tax Authority's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Ascension Parish Sales and Use Tax Authority, Attention: Kressy Krennerich, Administrator, at Post Office Box 1718, Gonzales, Louisiana 70707.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Capital assets, net	\$ 127,167
Due from other governments	5,523
	<hr/>
Total Assets	132,690

LIABILITIES

Accounts payable	5,523
Compensated absences payable	41,731
	<hr/>
Total Liabilities	47,254

NET POSITION

Net investment in capital assets	127,167
Unrestricted (deficit)	(41,731)
	<hr/>
Total Net position	\$ 85,436

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net Expense and changes in Net Position</u>
<u>Functions/Programs</u>			
Governmental activities			
General government	\$ 1,313,603	\$ -	\$ 1,313,603
	<u>1,313,603</u>	<u>-</u>	<u>1,313,603</u>
Total governmental activities	<u>\$ 1,313,603</u>	<u>\$ -</u>	<u>1,313,603</u>
General Revenues:			
Intergovernmental			<u>1,337,877</u>
Total general revenues			<u>1,337,877</u>
Change in net position			24,274
Net position, beginning of year			<u>61,162</u>
Net position, end of year			<u>\$ 85,436</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2017

ASSETS

Due from other governments	\$ 5,523
	<hr/>
Total Assets	\$ 5,523
	<hr/> <hr/>

LIABILITIES

Accounts payable	\$ 5,523
	<hr/>
Total Liabilities	5,523
	<hr/>

FUND BALANCE

Unassigned	-
	<hr/>
Total Fund Balance	-
	<hr/>
Total Liabilities and Fund Balances	\$ 5,523
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances - Governmental Funds	\$	-
Amounts reported for governmental activities in the statement of net position are different because:		
Cost of capital assets		318,035
Less: accumulated depreciation		(190,868)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities		<u>(41,731)</u>
Total net position - Governmental Activities	\$	<u>85,436</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES

Intergovernmental	\$ 1,337,877
Total revenues	<u>1,337,877</u>

EXPENDITURES

General Government:	
Personnel	895,947
Travel	24,381
Operating services	140,549
Supplies	30,323
Professional services	202,881
Capital outlay	43,796
Total expenditures	<u>1,337,877</u>

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

Fund balance - beginning of year	<u>-</u>
Fund balance - end of year	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGE IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balance - governmental fund	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay capitalized	43,796
Depreciation expense	(37,816)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	<u>18,294</u>
Change in Net Position - Governmental Activities	<u><u>\$ 24,274</u></u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 18,034,609
Total Assets	<u>\$ 18,034,609</u>

LIABILITIES

Taxes paid under protest	\$ 5,072,892
Due to other governments	<u>12,961,717</u>
Total Liabilities	<u>\$ 18,034,609</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided in Article VII, Section 3 of the Louisiana Constitution of 1974, the Ascension Parish Sales and Use Tax Authority (Authority) serves as the collector of sales and use taxes for the parish. The Authority was created October 5, 1989 for the purpose of collecting, administering and distributing the various sales and use taxes levied by entities within Ascension Parish, and the occupational license tax and the hotel/motel tax for the Ascension Parish Council. The Authority is governed by a Board of Directors. The Board is composed of the Chief Administrative Officer (or appointee) for each governing authority of any participating entity having a history of collecting in excess of \$1,000,000 of sales taxes for two consecutive years. As of year-end, the Board consisted of members from the Authority, Ascension Parish Council, Ascension Parish School Board, the Ascension Parish Sheriff, the City of Gonzales, the City of Donaldsonville, and the West Ascension Parish Hospital Service District. The accounting and reporting policies of the Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Presentation, Basis of Accounting

Government-wide Statements:

The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include fees for the collection of taxes. Revenues that are not associated as program revenues, including interest revenue presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the Authority's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major funds. For the Authority, there is only one major fund, the General Fund. The General Fund is the Authority's primary operating fund. It accounts for all finance resources of the general government, except those accounted for in another fund.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange may include grants and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Exchange transactions in which the Authority gives or receives value in exchange for services rendered consist of the charges for collection services which are recognized when the services are provided and the revenue is earned.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation, Basis of Accounting (continued)

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Interest is considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Fiduciary Fund Financial Statements:

The Agency Fund is used to account for assets held by the Ascension Parish Sales and Use Tax Authority in a trustee capacity or as an agent for the taxing authorities. Agency funds are accounted for on the full accrual basis of accounting. Collections of sales taxes are recognized when received and expenditures are recognized when the related fund liability is incurred, regardless of when the related cash flow takes place.

Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Ascension Parish Sales and Use Tax Authority prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Authority amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Ascension Parish Sales and Use Tax Authority is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Compensated Absences

Employees accrue from 10 to 12 days of sick leave per year depending upon the number of months worked. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 45 days is paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on a 45-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, unpaid accumulated sick leave is used in the retirement benefit computation as earned service.

All 12-month employees earn from 10 to 20 days of annual vacation leave per year depending on length of service with the School Board. Vacation time does not vest.

Sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expense in the year claimed. Sick leave has been accrued as of the end of the fiscal year and is valued using employees' current rates of pay. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

- Net investments in capital assets – consists of historical costs of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position – consists of assets that are restricted by the Commission's grantors (both federal and state).
- Unrestricted – all other net position is reported in this category.

Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

1. Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally contractually required to be maintained intact.
2. Restricted - represents balances where constraints have been established by parties outside the Authority or imposed by law through constitutional provisions or enabling legislation.
3. Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Authority's highest level of decision-making authority.
4. Assigned - represents balances that are constrained by the Authority's intent to be used for specific purposes, but are not restricted nor committed.
5. Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Equity of Fund Financial Statements (continued)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Authority reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for the purposes for which committed, assigned, and unassigned amounts are available, the Authority reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intergovernmental agreement

The Authority has an intergovernmental agreement with the Taxing Authorities within Ascension Parish for the purpose of administering and distributing sales and use taxes levied by the participating entities. The agreement provides that the School Board employs the Administrator and all other employees of the Authority. The Authority's employees are subject to the School Board's employment policies and procedures. The School Board pays all expenditures of the Authority. However, the agreement states that the costs of operating, maintaining, and administering the Authority shall be borne jointly by the participating entities on a prorate basis on a ratio of the entities taxes collected to total taxes collected.

2. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Deposits with Financial Institutions

Cash and cash equivalents include demand deposits at local financial institutions with a carrying value of \$18,034,609 at June 30, 2017. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2017, the Authority's bank balance was fully collateralized or FDIC insured and therefore not exposed to custodial credit risk.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

3. CAPITAL ASSETS

A summary of the Ascension Parish Sales and Use Tax Authority's capital assets at June 30, 2017 follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Capital Assets				
Furniture, fixtures and equipment	\$ 274,239	43,796	-	\$ 318,035
Less accumulated depreciation	153,052	37,816	-	190,868
Total Capital Assets, net	<u>\$ 121,187</u>			<u>\$ 127,167</u>

4. ACCOUNTS PAYABLE

Accounts payable at June 30, 2017, includes vendor liabilities of \$5,523.

5. COMPENSATED ABSENCES

At June 30, 2017, employees of the Ascension Parish Sales and Use Tax Authority had accumulated \$41,731 in annual leave benefits. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2017:

Compensated absences payable, beginning of year	\$ 60,025
Additions	7,804
Deletions	<u>(26,098)</u>
Compensated absences payable, end of year	<u>\$ 41,731</u>

6. TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid upon receipt of a notice, the amount paid shall be segregated and held by the Authority for a period of thirty days. If a suit is filed within 30 days, the segregated funds shall be held pending the outcome of the suit. If the taxpayer prevails, the Authority shall refund the amount due with interest from the date the funds were received by the Authority. There was \$5,072,892 in sales taxes paid under protest as of June 30, 2017. These amounts are held and reported in the Authority's agency fund.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

7. OPERATING LEASE COMMITMENTS

The Authority leases office space as a tenant under a noncancelable operating lease with five-year lease terms, commencing on August 1, 2014 and expiring on July 31, 2019. The following is a schedule by years of future minimum rentals under the lease at June 30, 2017:

<u>Year ending June 30:</u>	
2018	\$ 46,800
2019	46,800
Total	<u>\$ 93,600</u>

8. LITIGATION

The Ascension Parish Sales and Use Tax Authority is involved in litigation as a defendant in numerous lawsuits and claims at June 30, 2017. In the opinion of the Authority's management and legal counsel, it is difficult to predict the outcome of these claims. As such, no liability has been recorded.

9. CHANGES IN FIDUCIARY FUND DUE TO OTHER GOVERNMENTS

The following is the changes in unsettled deposits for the year ended June 30, 2017.

Unsettled balances at July 1, 2016	\$ 13,787,313
COLLECTIONS	
Taxes and licenses, net refunds	164,128,406
Interest	30,544
Total collections	164,158,950
DISTRIBUTIONS	
School Board	71,804,973
Parish Council	26,310,202
Drainage District	15,657,724
Gonzales	15,942,102
District No. 2	12,817,904
Sheriff	12,817,904
Donaldsonville	2,944,882
Hospital District	1,945,113
Sorrento	645,933
Tanger Mall DD	1,086,464
Occupational License	2,237,370
Occupancy Tax	701,138
Tax Free	72,837
Total distributions	164,984,546
Unsettled balance at June 30, 2017	\$ 12,961,717

The Authority distributes all sales and use taxes and interest collected each month to the respective entities less any taxes paid under protest which are put in escrow accounts (see note 6).

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

10. COLLECTIONS ON BEHALF OF OTHER TAXING AUTHORITIES

The following are the total collections, collection costs, and final distributions for the year ended June 30, 2017.

	<u>Total Collections</u>	<u>Collection Costs</u>	<u>Final Distribution</u>
School Board (2%)	\$ 72,328,807	\$ 523,834	\$ 71,804,973
Parish Council (1%)	26,524,776	214,574	26,310,202
Drainage District (0.5%)	15,778,127	120,403	15,657,724
City of Gonzales (2%)	16,026,881	84,779	15,942,102
District No. 2 (0.5%)	12,923,432	105,528	12,817,904
Sheriff (0.5%)	12,923,432	105,528	12,817,904
City of Donaldsonville (2%)	2,960,192	15,310	2,944,882
Hospital District (0.5%)	1,955,609	10,496	1,945,113
Sorrento (2%)	649,327	3,394	645,933
Tanger Mall DD (1%)	1,092,063	5,599	1,086,464
Occupancy Tax (2%)	704,825	3,687	701,138
OLT	2,286,211	48,841	2,237,370
	<u>\$ 166,153,682</u>	<u>\$ 1,241,973</u>	<u>\$ 164,911,709</u>

The Authority distributes all taxes and licenses and interest collected each month to the respective entities less any funds paid under protest which are put in escrow accounts (see note 6).

11. SUBSEQUENT EVENTS

The Ascension Parish Sales and Use Tax Authority has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2017, and determined that no events have occurred that would require additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 1,456,665	\$ 1,456,665	\$ 1,337,877	\$ (118,788)
Total Revenues	<u>1,456,665</u>	<u>1,456,665</u>	<u>1,337,877</u>	<u>(118,788)</u>
<u>EXPENDITURES</u>				
General Government:				
Personnel	946,968	946,968	895,947	51,021
Travel	40,025	40,025	24,381	15,644
Operating services	178,900	178,900	140,549	38,351
Supplies	45,972	45,972	30,323	15,649
Professional services	210,000	210,000	202,881	7,119
Capital outlay	34,800	34,800	43,796	(8,996)
Total Expenditures	<u>1,456,665</u>	<u>1,456,665</u>	<u>1,337,877</u>	<u>118,788</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER SUPPLEMENTARY INFORMATION

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

Agency Head: Mark West (7/1/16-3/31/17)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 92,730
Retirement	5,182
Benefits-insurance	5,747
Travel	872
Registration fees	700
Conference travel	405
	<u>\$ 105,636</u>

Agency Head: Kressy Krennerich (4/1/17-6/30/17)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 21,925
Retirement	11,409
Benefits-insurance	2,590
Travel	27
Registration fees	500
Conference travel	256
	<u>\$ 36,707</u>

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Ascension Parish Sales and Use Tax Authority
Gonzales, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ascension Parish Sales and Use Tax Authority (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 15, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2017-001.

Ascension Parish Sales and Use Tax Authority's Response to Findings

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Gonzales, Louisiana
December 15, 2017

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Ascension Parish Sales and Use Tax Authority (the Authority) as of and for the year June 30, 2017.
2. No material weaknesses were reported relating to the audit of the financial statements. No significant deficiencies in internal control are reported.
3. One instance of noncompliance material to the financial statements of the Authority was disclosed during the audit.

FINDINGS-FINANCIAL STATEMENT AUDIT

None

FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS

2017-001 Louisiana Budget Law

Condition: The Authority's General Fund had unfavorable variances of 8.15% of total actual revenues to total budgeted revenues. In addition, the Authority did not publish a notice stating that the proposed budget was available for public participation.

Criteria: Louisiana Revised Statute 39:1311(A) (1-2) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other sources for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more. Louisiana Revised Statute 39:1307 requires that upon the completion of the proposed budget, a notice shall be published in the official journal at least 10 days prior to the date of the first public hearing.

Cause: The budget was not properly amended at year-end which resulted in a budget violation. The Authority did not publish a notice for public inspection 10 days before the beginning of the fiscal year in the official journal.

Effect: The unfavorable variances of revenues of more than five percent is a violation of Louisiana Revised Statute 39:1311(A) (1-2). The Authority did not facilitate public participation requirements for the proposed General Fund budget timely.

Recommendation: The Authority should evaluate the budget for the General Fund throughout the fiscal year and amend the budget when necessary in a timely fashion. The Authority should also provide the public with an opportunity to participate in the budgetary process by publishing a notice that states that the proposed budget is available for public inspection and explains when the public hearing will occur in the official journal within 10 days of the first public hearing.

Management's corrective action plan: Management of the Authority concurs and will monitor the budget more closely throughout the year to ensure the budget is amended appropriately as necessary. Management will also provide the public the opportunity to participate in the budgetary process by publishing a notice in the official journal within 10 days prior to the date of the first public hearing.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2017

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS - COMPLIANCE

2016-001 Louisiana Budget Law

Condition: The Authority's General Fund had unfavorable variances of 10.72% of total actual expenditures to total budgeted expenditures. In addition, the Authority did not publish a notice stating that the proposed budget was available for public participation.

Current Year Status: A similar finding is noted in the current year.



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ascension Parish Sales & Use Tax Authority (the Authority) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Village's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above.

c) ***Disbursements***, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted above.

d) ***Receipts***, including receiving, recording, and preparing deposits.

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

There are no written policies and procedures noted, as the Ascension Parish School Board employs all employees of the Authority. The Authority's employees are subject to the School Board's employment policies and procedures.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

There are no written policies and procedures noted, as the Ascension Parish School Board employs all employees of the Authority. The Authority's employees are subject to the School Board's employment and ethics policies and procedures.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

There are no written policies and procedures, as the Authority does not have any debt.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons for the major fund.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

There was no deficit spending noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.** For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations prepared for all accounts include evidence that a member of management has reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Collections are performed by four employees. The four employees responsible for collecting cash are bonded. One employee responsible for collecting cash is responsible for depositing the cash in the bank, recording the related transaction, and reconciling the related bank account. Another employee responsible for collecting cash is responsible for depositing the cash in the bank. All employees share the same cash drawer at one location.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and addresses the functions noted above; however, this process is not performed by a person independent of the cash collection process.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

There is one cash collection site for all revenue sources. Collection documentation was obtained and addressed the functions noted above and were made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Sequentially numbered receipts and/or other related collection documentation supported the cash collection.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

In all locations selected, there is a process defined to determine the completeness of collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained listing of disbursements and management's representation that listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's response: The Authority is aware of the overlapping duties. The Administrator has overall responsibility for reviewing transactions prior to signing checks for purchases/disbursements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. All checks must have two authorized signatures for payment.

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The person with signatory authority or who make the final authorization for disbursements also has responsibility for initiating or recording purchases. The Administrator has signatory authority and makes the final authorization for disbursements. The Accountant has responsibility to initiate purchases. The Accountant can sign checks and record purchases.

Management's response: Due to the limited number of resources available, the Authority is unable to adequately segregate these duties. However, all checks must have two authorized signatures for payment.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is maintained in a locked location. This locked location is under the control and access of a person who has signatory authority and system access to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or signature machine is utilized.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained listing of credit cards/debit cards/fuel cards and management's representation that listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])

On the month tested, supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder without exception.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No finance charges and/or late fees were assessed on the month tested.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Each transaction was supported by an original itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Documentation of business/public purpose was provided without exception.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

All other documentation appeared to be in order.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No transactions that were tested reflected failures to comply with the Authority's written policies, nor were any \$10,000 or more requiring compliance with the Louisiana Public Bid Law.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No evidence of noncompliance noted in the transactions tested.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of all travel and related expense reimbursements, by person, and management's representation that listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The Authority utilizes a reimbursement rates that are applicable with GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

All expense reimbursements tested were in accordance with the written policy without exception.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Itemized receipts were provided for all expense tested that identified what was purchased or reimbursed without exception.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Each expense was supported by documentation of business purpose without exception.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

Documentation in accordance with written policies was provided without exception.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, section 14 of the Louisiana Constitution.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each expense tested was supported by documentation of reviewal and approval in writing by someone other than the traveler without exception.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of contracts in effect and management's representation that listing was complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Not applicable.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No noncompliance noted.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts selected were not amended during the current fiscal period.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Payments made on each contract were within the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Documentation was provided reflecting approval by the board of the contracts as it is not required by policy or law.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Not applicable.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Not applicable.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Not applicable.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Not applicable.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Not applicable. Ethic procedures are addressed entirely by the Ascension Parish School Board.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Not applicable. Ethic procedures are addressed entirely by the Ascension Parish School Board.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Authority did not have outstanding debt during the current fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

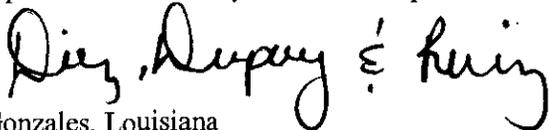
Required notice was posted on the premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Gonzales, Louisiana
December 15, 2017